

# HOUSE BILL REPORT

## HB 2095

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**As Reported by House Committee On:**  
Education

**Title:** An act relating to creating performance-based compensation pilot projects for staff in public schools.

**Brief Description:** Creating performance-based compensation pilot projects for staff in public schools.

**Sponsors:** Representatives Jarrett, Priest and Moeller.

**Brief History:**

**Committee Activity:**

Education: 2/20/07, 2/23/07 [DP].

### Brief Summary of Bill

- Creates performance-based compensation pilot projects for certificated and classified school staff in up to five school districts.
- Requires participating districts to develop performance-based compensation agreements in collaboration with their exclusive bargaining representatives.
- Provides \$115 per student in addition to state salary allocations to implement the agreements over the five-year period of the pilot project.

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### HOUSE COMMITTEE ON EDUCATION

**Majority Report:** Do pass. Signed by 9 members: Representatives Quall, Chair; Barlow, Vice Chair; Priest, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Haigh, McDermott, Roach, Santos and P. Sullivan.

**Staff:** Barbara McLain (786-7383).

**Background:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

In Washington, state funding for teacher salaries is allocated through a statewide salary schedule based on a teacher's years of experience and level of education, including continuing education. School districts are not required to use the statewide schedule, but are required to comply with certain limits on the average salary paid to teachers in the district and the salaries paid to individuals with bachelors' or masters' degrees and no other experience. Funding for cost-of-living increases required by Initiative 732 is calculated using the statewide salary schedule. There are no state allocation schedules or limitations with regard to salaries for classified school employees.

The use of a salary schedule for teachers based on experience and education has been a standard practice across the nation for many years. During the late 1980s, some states and school districts began to experiment with new approaches to teacher compensation that involve knowledge and skill-based pay, performance pay linked to student achievement, and other factors. States such as Arizona, Florida, Minnesota, and Texas, along with major school districts such as Denver and Chicago, are implementing various forms of performance-based compensation for teachers.

Although each approach is different, it is common for the state to outline the basic parameters for the compensation model and then direct school districts to develop the actual salary schedule and performance evaluation process. The state education agency then approves the district's proposal before it is implemented. In most cases, states that have adopted performance-based compensation have started with pilot projects involving selected school districts. Additional funding may be authorized to implement the new compensation plan.

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### **Summary of Bill:**

A performance-based compensation pilot project for staff in public schools is established for up to five school districts. School districts apply by submitting a proposal to the Superintendent of Public Instruction (SPI) by November 1, 2007. The proposal must be signed by the school board and bargaining representatives for certificated and classified staff. Proposals must include commitment of time during the planning year to develop a performance-based compensation agreement and identify the extent that learning improvement days and supplemental contract resources will be used to support the project.

The SPI selects up to five pilot projects by January 31, 2008. Participants, in collaboration with their bargaining representatives, develop their agreements during the remainder of 2007-08 and submit them for the SPI approval by July 15, 2008. Agreements must:

- describe how certificated staff can achieve career advancement and additional compensation;
- restructure the salary schedule so that a significant proportion of any compensation increase is based on performance as measured by schoolwide student achievement gains and an objective performance evaluation process;
- provide for school and classroom-based professional development;
- ensure that the compensation of any staff shall not decrease;

- contain components of performance-based compensation for classified staff; and
- estimate implementation costs.

Before approval, the SPI ensures the required components of the agreements are clearly detailed and in compliance with state laws, and that the agreements are legally binding beginning with the 2008-09 school year.

For the five-year duration of the pilot project, school districts receive \$115 per student in addition to state salary allocations to be used in combination with salary allocations to pay for the agreements. Approved agreements are exempt from laws pertaining to salary lid compliance. Cost-of-living adjustments under Initiative 732 are calculated using only the statewide salary allocation, not including the additional pilot project amounts.

The Washington State Institute for Public Policy evaluates the pilot projects and reports to the Legislature by December 1, 2012. The pilot projects expire September 1, 2013.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:**

(In support) In the private sector, pay for performance has tended to mirror pay based on seniority, so there is some skepticism about introducing performance pay in education. However, the experience of school districts that have done this is that it brings alignment of objectives. It makes sure that everyone's efforts are aligned with the goals of the organization, and it is this alignment that is needed to improve education. The hope is that if the employees, elected officials, and administrators in a district want to try this, they would have the opportunity to craft something in a way that makes sense to them.

(With concerns) Performance pay in an educational setting is just not tested as a strategy. The research is thin on whether it makes a difference. It is more complicated to develop a pay system than one assumes.

(Opposed) Parts of the bill are encouraging, particularly the collaboration between employees and management and the inclusion of classified staff. However, there is significant concern about having a pay system tied to student achievement. Which teacher is credited with improvement in test scores? Some school districts have more resources to provide things that make a difference in student achievement like smaller class size or additional instructional supports. Evaluations are currently used for employment purposes, not salary purposes.

**Persons Testifying:** (In support) Representative Jarrett, prime sponsor.

(With concerns) Bob Cooper, Washington Association of Colleges for Teacher Education.

(Opposed) Lucinda Young, Washington Education Association.

**Persons Signed In To Testify But Not Testifying:** None.